



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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April 30, 2009

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To: Supervisor Don Knabe, Chairman  
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Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

### **SACRAMENTO UPDATE**

This memorandum contains a pursuit of County position on a bill relating to county highway contracts, and the status of four County-advocacy bills and one County-interest bill.

#### **Pursuit of County Position on Legislation**

**AB 1409 (J. Pérez)**, as amended on April 29, 2009, would revise the provision in existing law which authorizes work on county highways to be done by purchasing the material and having the work done by force account (county employees) or by day labor, to require a county to solicit bids for the project. If a board of supervisors passes a resolution with a finding that either no bids were received or all of the bids exceeded the cost of having the work performed by force account or day labor, then a county may use its employees or day labor.

Existing law in the Public Contract Code sets forth the guidelines for work on county highways and specifies that work may be done by: 1) letting a contract covering both work and material; 2) purchasing the material and letting a contract for the performance of the work; or 3) purchasing the material and having the work done by force account or day labor, in which case advertising for bids is not required.

The Department of Public Works (DPW) indicates that AB 1409 would severely limit its use of County employees to perform work on County highways and would eliminate the

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department's ability to perform maintenance, repair, or construction work on County highway projects including labor, equipment, materials, and rentals with a value over \$25,000. According to DPW, construction projects that are undertaken by the County are typically those which are either: 1) too small to economically prepare plans, specifications, advertise, award, and inspect; or 2) must be performed immediately due to a local emergency such as a flood, fire, landslide, or declared disaster. By placing restrictions on the ability of DPW to use its own employees or day labor, AB 1409 would remove an option for counties to provide timely, efficient, and cost effective service.

In addition, DPW notes that it is not cost effective, nor prudent to enter into "no bid" contracts for minor emergency work projects with a value exceeding \$25,000 without plans and specifications, as would be required under AB 1409 as amended. DPW indicates that the department's own local maintenance staff has the knowledge and experience to build such minor projects to code in a cost effective manner without plans and specifications.

The Department of Public Works is concerned that the bill would require a workforce reduction of 75 percent to 80 percent of its Road Maintenance and Operational Services labor force and that the department would no longer have the ability to respond immediately to emergency events and natural disasters because of lack of staff or equipment. Furthermore, DPW indicates that AB 1409 would require a reduction of 50 percent of its mechanical staff and 60 percent of its procurement and warehouse staff, and an unknown percentage in other support divisions, while increasing administrative staffing costs to contract out and manage more contracts. It also would result in a significant capital loss on the investment in equipment, fleet, tools, offices, yards, and staff.

Overall, AB 1409 would have a negative impact on DPW's operations by limiting the current flexibility to purchase materials and have the work done by County employees. County Counsel concurs with DPW's assessment that AB 1409 will severely limit DPW's existing authority to have such work done by County employees.

The Department of Public Works and this office oppose AB 1409 because it would limit current flexibility, reduce local control, and prevent DPW from performing part of its core mission. Because AB 1409 represents a loss of local control and would prevent DPW from responding immediately to emergency events, opposition to the bill is consistent with existing Board policy. **Therefore, the Sacramento advocates will oppose AB 1409.**

Support and opposition to AB 1409 is currently unknown. This measure is set for hearing on May 6, 2009, in the Assembly Local Government Committee.

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### **Status of County-Advocacy Legislation**

**County-supported AB 613 (Beall)**, which would improve and streamline the Medi-Cal Treatment Authorization Request (TAR) process, passed the Assembly Health Committee with amendments on April 28, 2009, by a vote of 18 to 0, and now proceeds to the Assembly Appropriations Committee. The amendments indicate the Legislature's intent that any identified improvements to TARs be cost-beneficial to the State and to the Medi-Cal Program.

**County-supported AB 719 (Lowenthal)**, which would establish the Transitional Food Stamps for Foster Youth program, was placed on the Assembly Appropriations Committee's Suspense File on April 29, 2009, due to significant State General Fund costs.

**County-opposed AB 1139 (J. Pérez)**, which would have made various changes to the State Enterprise Zone law, was held in the Assembly Jobs, Economic Development and the Economy Committee at the request of the Committee Chair for the purpose of crafting a revised bill next year. The current version of the bill proposed, among its provisions, to cancel certain program-eligibility criteria, and would have eliminated the retroactive tax credit vouchering of participating employers.

**County-supported SB 698 (Negrete McLeod)**, which would change the funding formula for juvenile court schools from the average daily attendance model to an average daily enrollment model, was approved by the Senate Education Committee by a vote of 8 to 1 on April 29, 2009. The measure now moves to the Senate Appropriations Committee.

### **Status of County-Interest Legislation**

**AB 1303 (Hall)**, which would require the State Department of Public Health to convene a working group of stakeholders to assist in the planning to reopen Martin Luther King, Jr. Hospital, passed the Assembly Health Committee on April 28, 2009, by a vote of 17 to 0, and now proceeds to the Assembly Appropriations Committee. As previously reported, AB 1303 is a "spot bill" introduced at the request of the Governor's office, and will only be used if an agreement to reopen the Hospital requires legislation.

We will continue to keep you advised.

WTF:GK  
MAL:IGEA:sb

c: All Department Heads  
Legislative Strategist

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